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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D. C.

L A T E N E W S

The Government of Egypt will maintain its former purchase prices for cotton of the 1953-54 crop until the end of the 1954-55 season, under provisions of Law No. 230/1954, published August 25, 1954. No adjustment will be made to bring the Government purchase prices for the carry-over of this season's crop to the same level as the new crop prices. It also has been decided that after September 1, 1954, the export of Ashmouni cotton of grades Good and below will be prohibited until further notice to protect the supplies needed by the local spinning industry. Some exceptions may be made for export to established customers who cannot spin the higher grades.

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Production of cotton in Mozambique for the 1953-54 crop year ending October 31, 1954, is estimated at 145,000 bales (500 pounds gross) as compared with 185,000 for the previous year. Reduced yields are attributed to lack of rainfall early in the growing season and damage from "Black Arm" disease. Acreage for the current year is estimated at 815,000 acres as compared with 700,000 in 1952-53.

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Reports of considerable improvement in Cuba's cotton-mill activity in July give indication of a possible increase in imports of raw cotton during the coming year.

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(Continued on Page 326)

FOREIGN CROPS AND MARKETS

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BEAN SUPPLIES DOWN IN JAPAN

The Japanese harvest of kidney and adzuki beans in 1954 is forecast at 3,290,000 bags or 5 percent less than the 3,460,000 bags harvested in 1953 and 20 percent less than the 4,100,000-bags average in the prewar period 1935-39.

Current stocks from the small 1953 crop reportedly are low and with the outlook for a smaller 1954 harvest, prices are high. Kidney beans were selling wholesale in early August at \$10.00 to \$10.90 per 100 lbs. and adzuki beans at \$23.60.

There likely are several classes of beans included in the "kidney bean" classification; among them the otenashi bean which is similar to the United States pea bean. The typical adzuki bean is red, about half as large as the United States pea bean, and shaped oblong to nearly round. There is a pronounced white stripe at the hilum.

The adzuki bean constitutes about 60 percent of the total production indicated for 1954. Japan normally is a net importer of beans and in view of two short crops, the import demand may be increased in coming months. In 1953 Japan imported 236,000 bags of kidney beans mostly from Burma and 7,000 bags of adzuki beans from Communist China.

SICILIAN TRADE REPORTS SMALLER CITRUS CROP

Growers and exporters in Sicily report that the 1954-55 winter citrus crop is expected to be significantly smaller than last year's crop. The lemon and tangerine crops are expected to amount to only 50 percent of last year's crop while the orange crop may amount to 75 percent of production last winter. The damage was apparently caused by early frosts and late spring rains which caused considerable loss of citrus flowers.

UNION OF SO. AFRICA'S DECIDUOUS FRUIT PRODUCTION INCREASING

A recent deciduous tree-fruit census in the Western part of the Union of South Africa reveals that increasing production of these fruits may be expected in the next few years.

Census data for all of the producing districts are not available on a directly comparable basis; however, it appears that the largest increase in plantings has occurred in the area immediately North and East of Capetown. The number of plants now in this part of the Cape Province exceeds the total number of plants in the whole Cape Province in 1950. Some increase in production is also reported in the Transvaal and the Orange Free State. Nearly one-half of the Cape Province's plantings of apples, peaches and pears are of nonbearing age, while about one-fourth of the apricots and one-fifth of the plums and grapes are nonbearing.

Inasmuch as South Africa is reported to have a limited fruit consumption capacity it is likely that nearly all of any increased production of fruits will seek outlets in foreign markets. The majority of the production in the Northern Provinces is consumed locally and, since the greatest production increase occurs in the Western area of the Cape Province, that area will likely press first for increased exports.

South Africa enjoys export advantages in its reversed season, favorable transportation facilities and rates, and Commonwealth preference. The United Kingdom is South Africa's largest buyer of deciduous fruits, followed in importance by Sweden, Germany and the United States.

BURMA RICE MARKETING

Burma during the January-June period of 1954 exported about 760,000 long tons (1 long ton = 2,240 pounds) of rice, excluding bran, an increase of 15 percent as compared with 661,000 tons in the like period of 1953. Rice exports in the second quarter, however, were only 355,000 tons, a decline from 392,000 tons in the same months of 1953. By mid-June, Japan and the Ryukyu Islands had lifted the entire 300,000 and 40,000 tons, respectively, contracted for delivery in 1954.

Only limited sales of rice have been made since April 1. Mauritius purchased 40,000 tons of boiled rice in May for shipment in 1954 and agreed to buy 30,000 to 50,000 tons yearly from 1955 to 1957. Indonesia in June purchased 20,000 tons of Ngasein Small Mill Special and agreed to buy 10,000 to 50,000 tons annually in 1955 and 1956. Subsequently that country purchased an additional 20,000 tons for shipment in 1954.

Developments during the second quarter generally were not favorable for rice marketing and the optimism that followed the sale to India has been tempered. Rather than having an assured market for most of the 1952-53 crop, as anticipated when the Indian agreement was signed, rejections of such rice by India indicate that Burma may be forced to dispose of as much as 100,000 to 200,000 tons for non-food uses at a marked price reduction. The failure of all British territories except Mauritius to buy on a Government-to-Government basis was disappointing. Also, private-trade sales which usually are from 100,000 to 150,000 tons yearly, have been exceptionally slow. At the rate shipments to India moved from mid-April to late July, not more than two-thirds of the 900,000 tons sold that country will be exported in 1954.

Outlook: Following ample rains during May and most of June which gave crops a good start, rainfall in July was short in much of Burma. The water shortage resulted in some damage to much of the rice crop planted by broadcasting, now estimated to be about 50 percent of the total rice acreage. The remaining half which is grown by transplanting generally has not been adversely affected, as little transplanting had been done until late July.

A small increase is expected in rice acreage, probably not exceeding 5 percent; it is anticipated that the gradual upward trend in planted acreage of rice and other crops will continue. While the July water shortage has damaged a portion of the rice crop, such damage could largely be compensated by good growing conditions during the August-October period.

BURMA: Rice exports, 1953, and January-April, 1954

Country of destination	1953 1/	1954					January-April
		January	February	March	April		
	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons
Malaya.....	108,969	3,534	403	368	217	4,522	
Hong Kong.....	28,889	447	408	4	0	859	
British Borneo.....	3,860	0	0	0	0	0	
United Kingdom.....	7,670	29	229	1,856	974	3,088	
Ceylon.....	144,911	12,618	3,222	17,342	36,312	69,494	
India.....	160,430	0	0	0	0	0	
Indonesia.....	199,987	42,433	33,478	26,285	0	102,196	
Japan.....	163,988	8,054	23,484	106,630	101,406	239,574	
Ryukyu Islands..... ^{2/}	30,395	0	0	16,802	9,602	26,404	
Portuguese India.....	4,146	470	0	480	912	1,862	
Kuwait.....	5,154	210	312	65	0	587	
Oman.....	6,246	515	385	1,199	0	2,099	
Bahrein.....	10,447	177	86	2,584	0	2,847	
Saudi Arabia.....	17,440	0	1,066	4,637	406	6,109	
Aden.....	6,793	0	0	506	152	658	
Port Said.....	5	0	20	0	12	32	
Mauritius.....	45,004	0	0	0	0	0	
Seychelles.....	398	0	0	0	0	0	
Ethiopia.....	343	0	20	10	0	30	
East Africa.....	7,981	0	1,429	0	1,011	2,440	
West Africa.....	3	0	0	0	0	0	
French Indian Colonies..	1,610	0	0	0	0	0	
Italian Somaliland.....	506	0	0	0	0	0	
French Somaliland.....	15	0	0	20	0	20	
Anglo-Egyptian Sudan...	221	0	101	0	15	116	
Belgium.....	8,310	0	2,761	2,521	913	6,195	
Netherlands.....	1,997	1,524	25	3,532	1,118	6,199	
British West Indies.....	5,042	0	0	0	0	0	
Canada.....	0	0	500	0	0	500	
Finland.....	0	0	0	0	3/4,085	3/4,085	
West Germany.....	0	0	0	0	812	812	
Adaman Islands.....	0	0	0	112	0	112	
Total.....	970,760	70,011	67,929	184,953	157,947	480,840	

1/ Revised.

2/ United States Military. 3/ Brown Rice.

Compiled from Embassy reports.

As of August 1, Burma had approximately 700,000 long tons as yet unsold for the 1954 marketing season. This is in addition to the Indian contract. It is estimated that about 600,000 tons to India will have been shipped by the end of 1954, leaving 300,000 tons yet to be applied on the contract. In view of India's insistence on a higher-quality rice than had been anticipated, however, a sizable portion of the carry-over may be old-crop rice, which can be sold only for non-food uses. To the extent this is true, the remainder of the 700,000 tons unsold at present will be proportionately reduced.

INDONESIA'S RICE IMPORTS DECREASE IN SECOND QUARTER

Rice imports into Indonesia during the second quarter of 1954 totaled 39,857 metric tons (1 metric ton = 2,204.6 pounds), according to R. J. MacQuaid, American Embassy, Djakarta. This volume, all imported by the Jajasan Urusan Bahan Makanan (UBM - Food Supply Board) is only 37 percent of the amount imported during the first quarter of 1954 (see Foreign Crops and Markets, August 9, 1954).

The large decrease in imports is attributed to the fact that during the first quarter Indonesia was still importing rice contracted for delivery in 1953. Monthly imports during the second quarter were: April, 0; May, 19,667 tons; June, 20,190 tons; total, 39,857 tons.

Rice imports planned by the UBM for all of 1954 amounted to 100,000 tons. Of this volume, 50,000 tons will be from Indochina; 40,000 tons from Burma, and 10,000 tons from Thailand. While there has been some damage to the 1954 rice crop of Indonesia from unseasonal rains, a record crop still is expected to be harvested.

Government officials appear confident that with availabilities from this current crop, together with the 100,000 tons of imported rice contracted for delivery in 1954 and the stocks on hand at the beginning of the year, supplies will be sufficient to meet the requirements of the domestic market for the calendar year 1954. Current market conditions appear to back up this estimate.

Rice supplies on hand are sufficient and although retail prices of rice tended to rise slightly in August, trade circles say this is an expected reaction to increased prices of wheat, flour, and sugar, due to a temporary shortage of these commodities. In this latter connection, 6,000 tons of Australian wheat just arrived in Djakarta. Wheat and flour prices, therefore, are expected to decline.

The wholesale price of rice on the Djakarta market during the second quarter ranged from 1.65 to 1.85 rupiahs per kilogram (\$6.54-\$7.34 per 100 pounds) for low grades, and from 2.20 to 2.80 (\$8.72-\$11.10 per 100 pounds) for better grades.

Average import prices during the April-June quarter were - Burma rice, 40 percent broken, f.o.b. Rangoon, £50 per long ton (\$6.25 per 100 pounds); Thai rice, 40 percent broken, f.o.b. Bangkok, \$118.70 per metric ton (\$5.36 per 100 pounds), and rice from Indochina, 42 percent broken, f.o.b. Saigon or Phnom Penh, £43/11s per long ton (\$5.46 per 100 pounds).

In addition to importing rice, the UBM also operates a "buffer stock" which is used to stabilize the market price. The UBM purchases and retains a quota (about 10 percent) of domestic production, for which the farmer is paid an average of 80 to 100 rupiahs per quintal (\$3.17 to \$3.96 per 100 pounds) of dry padi. Whenever the average retail price of low grades goes higher than 2.00 rupiahs per kilogram (\$7.93 per 100 pounds), the Government releases to the market sufficient quantities of its stocks to force down the price.

For four of the United States rice marketing years since 1948-49, rice from the United States has been exported to Indonesia. The amounts by years have been 1948-49, 886,000 bags; 1949-50, 1,773,000 bags; 1951-52, 1,799,000 bags; and 1952-53, 1,100,000 bags. While Indonesian officials' statements continue to stress the adequacy of supplies, they refer to 1954 only. As the main Indonesian crop does not come into harvest until next May, the major portion of imports occur from January into the year. Should rice from the United States move from the 1954 crop, it will be purchased in December and will be shipped after January 1, 1955.

URUGUAY MAKES RECORD SALE OF EXPORT RICE

Uruguay in August reportedly completed negotiations for the sale and export of 10,000 metric tons (1 metric ton = 2,204.6 pounds) of Japanese type rice to Japan. The latter country will pay for the rice with free United States dollars, and as an integral part of the deal, Uruguay subsequently will purchase and import Japanese goods for the full dollar equivalent of the rice purchases.

Uruguay's 1953-54 rice crop recently harvested is estimated by the Ministry of Livestock and Agriculture at 36,750 metric tons of milled rice. There was no carry-over from the previous crop, and domestic consumption of the new harvest is estimated at 18,000 to 19,000 tons, leaving a surplus of roughly 18,000 tons. Taking into consideration the amount of these availabilities, the Government on July 1 increased authorization for rice exports to 16,000 tons.

Exports of the 10,000 tons to Japan presumably leaves about 8,000 tons of surplus available for export. Of this quantity, the United Kingdom is expected to take 4,000 tons of medium-grain at a price equivalent to approximately 160 U. S. dollars per ton (\$7.26 per 100 pounds), f.o.b.

VENEZUELA CONTINUES TO EXPAND RICE PRODUCTION

The 1954 rice crop of Venezuela will total 76,000 metric tons (168 million pounds) of rough rice, according to an announcement of the President of the Venezuelan Development Corporation August 28. This is around 20,000 tons (44 million pounds) more than the previous record crop in 1952 of 45,360 metric (100 million pounds) tons of rough rice as reported in Foreign Crops and Markets, June 7, 1954.

Of the total 1954 crop, it is stated that 48,000 tons will come from acreage financed by the Corporation, and 18,000 tons from acreage in the colonies of the National Agrarian Institute. The remaining 10,000 tons apparently will be produced in the States of Zulia, Sucre, Aragua, and Bolivar.

The announcement states that this year's budget provides for rice acreage expansion in the State of Tachira, District of Uribante, and that it is the intention to foster rice culture in that region. (The Venezuelan Development Corporation later announced that next spring it will finance 10,000 hectares - 22,000 acres - in Tachira.)

Trade sources indicate that Venezuela will not be self-sufficient in rice this year despite these favorable estimates.

ECUADOR'S RICE SURPLUS FOR EXPORT

Ecuador should have around 45 million pounds of rice for export at the beginning of 1955. Stocks on hand of milled and unmilled rice as of July 1, 1954, totaled about 95 million pounds. With a summer crop estimated at approximately 40 million pounds, and a domestic consumption of about 45 million pounds from July through December, Ecuador should have around 90 million pounds of rice on hand at the end of the year. The Government will want to hold back about one-half of this quantity until the main crop starts to come in during May 1955. This estimate precludes possible exports in the remainder of 1954.

In the first part of July, negotiations were concluded with Colombia for the sale of 8,600,000 pounds of rice to be shipped about August 1. This sale, plus previous exports to Colombia, comprise a little over two-thirds of the 41 million pounds (400,000 Spanish quintals) of rice authorized for export by executive decree No. 765, May 7, 1954.

Ecuador's rice prices have been high in relation to prices paid by importing countries, and efforts to find markets in Asia (Japan) and in the Western Hemisphere, apart from Colombia, have been unsuccessful. The price of exported rice has been declining steadily since 1953, when around \$8.00 per 100 pounds could be obtained for rice that actually was inferior to that now available. Rice was sold to Colombia in May 1954 at \$6.75 per 100 pounds, f.o.b. Guayaquil. Recent sales were made at \$6.36 per 100 pounds.

PANAMA TO HARVEST
RECORD RICE CROP

A record rice harvest in Panama beginning in August (1954-55 crop) is forecast by reliable sources as the nation attempts to dispose of excess rice stocks on hand from the previous harvest. A call for bids during July by the Panama Canal Company for 12,500 quintals (1,268,000 pounds) of rice, of which 1,500 (152,000 pounds) were specified to be of Panamanian type, found local dealers unable to obtain contracts through inability to offer competitive bids with respect to quality and prices. Higher-quality Ecuadoran rice reportedly was offered at a price between \$2.00 and \$3.00 per Spanish quintal (101.412 pounds) below that of Panamanian rice.

DENMARK LIFTS RESTRICTIONS
ON HAM EXPORTS

All quota restrictions on hams and pork to the United States and other "secondary markets" were lifted on August 30 by the Danish Ministry of Agriculture. Restrictions, in effect since March 27, 1954, had moderately reduced exports to the United States so that shipments of Wiltshire sides could be increased to the primary market--the United Kingdom (See Foreign Crops and Markets August 16, 1954). Exports of canned hams are expected to continue around 3 to 3½ million pounds a month throughout the remainder of the calendar year.

AUSTRALIAN WOOL STOCKS
AT LOW LEVEL

Warehouse stocks of wool in Australia August 1, estimated at only 236,100 bales, were around 10 percent less than a year earlier reflecting later shearing this year and large exports of last year's near-record clip. The wool year ended July 1 and the new selling season is just getting under way at this time.

During 1953 shearing started earlier than usual, partly because of drought and feed shortages and partly because ranchers wanted to sell their wool as early in the season as possible believing that prices would weaken as the selling season progressed. Receipts of new-clip wool in July 1954 were 13 percent less than a year earlier. As of early September sheep had been maintained in good condition generally, despite the dry season in New South Wales and Queensland, which required considerable supplemental feeding. In South Australia grazing conditions were excellent, but in Victoria and Western Australia more rain was needed to maintain ranges.

This year's wool clip will be a record or near record. Sheep numbers increased from 1953 to 1954 in all States except South Australia. Production during 1953-54 has been estimated at around 1,260 million pounds (greasy basis) compared with the 1947-51 average of 1,060 million.

Exports of wool from Australia during the year ended July 1, 1954 totaled 1,170,000 pounds (greasy basis) compared with 1,174,000 pounds a year earlier. The United States was the sixth largest importer of Australian wool during 1953-54. Such imports were equivalent to 6.9 percent of Australia's shipments compared with 7.3 percent during 1952-53.

AUSTRALIA: Wool exports by class,
1952-53 and 1953-54

Class	Year Ending June 30	
	1953	1954
	Million Lbs.	Million Lbs.
Greasy.....	981	992
Scoured and Washed..	67	67
Carbonized.....	18	14
Noils.....	3	4
Tops.....	8	5
Waste.....	12	7
Total (Actual Wt.):	1,089	1,089
Total (Greasy		
Weight Equiva-		
lent).....	1,174	1,170

SOURCE: Commonwealth Bureau of Census and Statistics

NEW HOG KILLING METHOD
INTRODUCED IN DENMARK

A number of cooperative bacon factories in Denmark have banded together to establish test facilities in a slaughter plant to stun hogs by the use of a carbon dioxide gas chamber similar to those recently developed in the United States. The new facilities, to be established in Kolding, Jutland, result from dissatisfaction with present methods of stunning by electricity which became obligatory in all Danish slaughter houses on July 1, 1954. This measure was passed by the Folketing in its last session, primarily as a result of a concerted campaign by the Danish Society for the Prevention of Cruelty to Animals. Stunning by either method preceeds sticking whereby the neck arteries are severed with a knife. The former conventional method of slaughter was to hoist the live hogs by means of leg chains and to stick them, without being stunned, while they were hanging from the shackles. Now the hogs do not need to be hung before they have been stuck.

Electrical stunning is reported to have resulted in incomplete bleeding of some parts of the animal, particularly the lungs, and in broken shoulders to the fallen hogs. A larger number of lungs have been condemned for human consumption and there has been a noticeable decline in the demand for this product in Western Germany.

Establishment of the gas-chamber method of stunning offers the promise of lower labor costs, less bruising of carcasses and improvement in the quality of products.

MEXICAN CATTLE SITUATION

A break in the 4-year drought in Northern Mexico has materially improved range conditions. In the northwestern states of Sonora and Coahuilla grass is now abundant whereas in early April pine, oak and other native trees were reported to be dead or dying, from lack of moisture (see Foreign Crops and Markets, May 17, 1954). The improved feed situation will make it possible for Mexican producers to market more advantageously the surplus from the larger cattle population. The Mexican surplus for export has been limited largely to beef shipments to the United States. Since May 23, 1953 the United States border has been closed to the entry of live cattle and many cattle which would normally have been marketed remained on the ranches because of their poor condition.

Apparently cattle numbers in Northern Mexico increased moderately during 1953 and a further increase seems likely this year. However, it is expected that this year's slaughter will be moderately above the estimated total during both 1952 and 1953 of 2.3 and 2.5 million head respectively.

Exports of meat during the first half of 1954 consisted chiefly of chilled boned beef to the United States. However, a small quantity of frozen beef quarters was shipped to Czechoslovakia and smaller quantities to other countries. Shipments to Czechoslovakia are continuing.

The only significant export movement of live cattle this year has been around 5,000 head to Peru. Earlier it had been expected that such shipments might have reached 50,000 to 60,000 head, but the trial shipments at high cost resulted in large death losses and it is reported that no further shipments are now contemplated.

Most packing plants in Northern Mexico are now closed but will resume operations about mid-October when this year's marketings will increase in volume at the end of the grazing season.

Meat prices in Mexico rose moderately following devaluation of the peso on April 19, 1954 and are moderately higher than a year ago. Prices of cattle in the Northern range areas affected by drought have increased materially in recent months. The higher prices are tending to reduce exports of beef to the United States. If the favorable prices and grazing conditions continue into 1955 they will tend to reduce live cattle shipments to the United States following the scheduled re-opening of the border on January 1.

MILK AND DAIRY PRODUCTS SHOW DECLINE IN NORWAY

Production of milk in Norway during 1954 is expected to approximate 3.6 billion pounds, about 52 million pounds under the record production in 1953.

Milk deliveries to dairy plants during the first 6 months of 1954 totaled 1,252 billion pounds, about 5 percent under 1953. Sales of milk for fluid consumption, however, increased by 4 percent. Butter and cheese production is considerably under the 1953 rate with milk utilized in manufacturing amounting to only 88 percent of 1953.

Butter production has been exceeding domestic needs, partially because of competition from margarine and butter exports have been pushed; in 1953 Norway exported 11.4 million pounds of butter. However, with butter production dropping exports have also declined; during January-May 1954 only 1.5 million pounds of butter were shipped abroad compared to 5 million for the same period in 1953.

Production of cow's milk cheese during the first half of 1954 is about 21 percent under 1953. Exports of all types of cheese are running at only 1.1 million pounds for the first 5 months, less than 20 percent of exports during the similar period in 1953. Exports of processed milk products are also under 1953 for the January to May period. Exports of condensed milk amounted to less than 80,000 pounds while evaporated milk totaled 101,000 pounds; these are 20 and 8 percent respectively of trade during the 1953 period.

Exports statistics for 1954 show that Norway has been averaging 46 cents per pound for its butter going into foreign trade. Goat's cheese and whey cheese has been bringing 40 cents per pound while other cheese, mostly gouda, has been worth 35 cents a pound in export trade. Condensed milk prices average 13.4 per pound while evaporated milk is 11.4 cents per pound.

NEW PLANT IN MEXICO TO SUPPLY POWDERED MILK FOR RECONSTITUTION

A Government-sponsored plant for producing butterfat for creameries and ice cream manufacturers and nonfat dry milk solids for milk reconstitution is to be established in Jiquilpan, State of Michoacan, Mexico. The plant will be able to process 225,000 pounds of milk a day. Producers will be paid about \$2.47 per cwt. for milk, which is about 35 cents more than the current price.

The plant is being erected with the cooperation of the United Nations International Children's Fund which will finance about one-half of the estimated \$720,000 cost of completing the plant; the loan by the Fund will be made on condition that part of the output of the plant will be used to supply milk for 260,000 children daily through the school-lunch program.

Completion of the plant would take about 14 months and it will probably be operated by CEIMSA, the Government-controlled corporation operating the milk reconstituting plant near Mexico City. Once the plant is in operation it is believed it will supply sufficient milk powder for CEIMSA's reconstituting operations which is currently supplying Mexico City consumers with approximately 48,000 quarts of reconstituted milk daily.

NEW ZEALAND SELLS BUTTER TO RUSSIA

With a less favorable export situation facing New Zealand dairy producers since the termination of the bulk dairy contract with the United Kingdom, the New Zealand Dairy Commission announced that it was selling 11.2 million pounds of butter to Soviet Russia. No price was quoted, but it is believed that the Russians are paying several cents a pound more than the old New Zealand-United Kingdom f.o.b. contract price of 40.8 cents per pound.

The darkening export situation has made it necessary for the Dairy Commission to reduce the guaranteed price to producers on butter by approximately .6 cents per pound and 1.2 cents per pound on cheese. The reduction was made, the Commission stated, to improve New Zealand's competitive position.

NEW ZEALAND WOOL AUCTIONS OPEN STRONG

Prices of wool at the first New Zealand crutchings sale held early in August continued strong with a large number of buyers participating and New Zealand producers are looking forward to favorable prices for their record 1954-55 production. The early sale included only crutchings but later sales will include fleece wools. It is believed that American buying will be heavier during the new season than during 1953-54.

Prices of wool in New Zealand during the 1953-54 season averaged the second highest of record. Prices at the final auction in May 1954 rose to the highest point of the year as world demand rose and as supplies in New Zealand had been reduced to low levels.

RELAXATION OF SINGAPORE IMPORT CONTROLS ON HARD CURRENCY FRUIT ITEMS

On August 27, 1954 the Singapore Government announced that licenses will now be freely issued for the import of a list of goods including apples (fresh), oranges (fresh), and fruit juice concentrate for industrial use only.

This is the first important relaxation of import restrictions affecting United States goods by the Singapore Government in a year and a half. Such relaxation, however, is not necessarily permanent and import controls could be reimposed in the event the Singapore Government felt the foreign exchange situation justified them.

United States apples and oranges are well liked in Singapore.

1954 APPLE AND PEAR CROP ESTIMATES IN NORTH AMERICA AND EUROPE

The 1954 apple crops in both North America and Europe will be substantially larger than those of the preceding year, according to preliminary estimates. Approximately 118 million bushels are indicated for North America compared with nearly 107 million bushels in 1953. Substantial increases appear likely for both the United States and Canada, the two countries which account for virtually all of North America's apple production.

The European crop of dessert and cooking apples is expected to total 265 million bushels, the largest production on record. In 1953, European production of dessert and cooking apples amounted to nearly 227 million bushels. The 1954 estimate for Europe is more than double the prewar average of 126 million bushels.

The 1954 pear crop is expected to show practically no change from the 1953 level in North America but a sharp decrease is forecast in Europe compared with last year. A very slight increase is indicated in United States production which dominates the North American total while a significant decrease is expected in Canada. North American production is estimated at 31.3 million bushels compared with 31.2 million bushels in 1953.

The 1954 European crop, exclusive of cider pears, may total 78.0 million bushels, an eleven percent decline from the 87.8 million bushels produced in 1953. The estimated 1954 harvest would be the lowest in 3 years but still over 80 percent above the prewar level.

(The above estimates do not take into account damage to the apple crops in New England and eastern Canada caused by the recent hurricanes).

GERMAN TOBACCO IMPORTS HIGHER IN THE FIRST HALF OF 1954

The American Consul General at Bremen reports that imports of unmanufactured tobacco into West Germany amounted to 62.1 million pounds during the first half of this year. This compares with 53.0 million during the first half of 1953. Imports from the United States rose from 22.3 million pounds in the first half of 1953 to 26.2 million pounds in the first half of 1954, an increase of about 18 percent.

Imports of Unmanufactured Tobacco into Western Germany

First Half of Year	:	Total	:	United States	:	Turkey	:	Other
	:	1,000	:	1,000	:	1,000	:	1,000
	:	<u>pounds</u>	:	<u>pounds</u>	:	<u>pounds</u>	:	<u>pounds</u>
	:		:		:		:	
1953	:	53,037	:	22,250	:	6,209	:	24,578
1954	:	62,081	:	26,229	:	6,508	:	29,344
	:		:		:		:	

Turkish tobacco imported into Western Germany rose only 5 percent during the first half of this year over the corresponding period in 1953. This occurred in spite of the Turkish desire to sell more tobacco to the Federal Republic in an attempt to balance their foreign trade payment account. It has been reported that German importers are having difficulty in buying desirable grades as the volume of these grades is 25 to 30 percent lower in this year's crop than in last year's crop. Importers may not be able to buy as much as they bought last year and as a result average prices paid have increased about 19 percent.

It has been reported that tobacco dealers have been attempting to buy Russian oriental-type tobacco through Finland to supply grades that are at present unobtainable in Turkey.

TURKEY'S LEAF EXPORTS LOWER IN THE FIRST HALF OF 1954

The American Embassy at Ankara reports that exports of Turkish tobacco in the first half of 1954 were 48 percent lower than in the same period in 1953. However, exports for the year 1953 were about 44.0 million pounds higher than usual because of the disposal of large stocks of accumulated tobacco.

The United States, Western Germany, the United Kingdom, Egypt, Belgium and Italy all took smaller shipments during the first half of 1954 than they took in the first half of 1953. Shipments were higher to the Soviet Bloc of Eastern Germany, Poland, Czechoslovakia and Bulgaria.

Exports of Turkish Leaf Tobacco 1/ January-June, 1953, 1954 2/

Country of Destination	January-June 1954	January-June 1953
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United States	8,808	33,578
West Germany	5,361	9,427
United Kingdom	143	2,819
Egypt	2,285	6,496
Belgium	513	3,104
Italy	1,277	6,527
East Germany	3,983	1,519
Poland	3,812	0
Czechoslovakia	4,149	2,059
Bulgaria	73	0
All Others	10,113	12,493
Total	40,517	78,022

1/ Leaf only. 2/ Contains preliminary figures.

GREECE SIGNS TRADE AND PAYMENTS AGREEMENT WITH RUMANIA

The signing of a trade and payments agreement between Greece and Rumania in May 1954 has been reported by the American Embassy at Athens.

It follows the general lines of a recent agreement between Greece and Hungary, another member of the Soviet trade bloc. In general these agreements will facilitate the export of Greek tobacco to Soviet-dominated areas.

Greece and Rumania have assumed the obligation to aid and promote, insofar as possible, trade transactions in either direction within the framework of the import-export regulations in force at present in each country. The agreement is to remain in force until June 30, 1955 and will be considered extended if neither party formally terminates it on 90 days notice. The payments agreement provides for a credit margin of \$250,000. Payment of the value of merchandise and other invisible payments by both countries will be effected in dollars through a bank clearing account.

The total Greek export quota is \$3,000,000 of which tobacco is expected to account for \$300,000.

SENEGAL PEANUT EXPORTS NEARLY EXHAUST SUPPLY

More than 560,000 short tons of peanuts (in-shell basis) were exported from Senegal by the end of July, according to trade sources. The available export supply from the 1953 crop has been estimated at 592,000 tons. Included with the above are 2,000 tons shelled edible peanuts from French Guinea, and an unknown quantity of the estimated Sudan export availability of about 90,000 tons in-shell basis. A breakdown of the 1953 export crop is as follows (short tons):

	<u>Actual exports</u>	<u>In-shell equivalent</u>
Oil	69,445	239,466
Shelled	189,596	284,394
In-shell	37,478	37,478
Total		561,338

Exports as peanuts have exceeded those of last year while exports as oil are less. It is doubtful if Senegal peanut oil production, previously estimated at 120,000 short tons, will reach 100,000 tons this year. Crushers in Dakar hope that the Government will revise its peanut export tax policy to insure a larger supply for processing there.

The outlook is for another large export supply of peanuts from Senegal in 1955. Rainfall to the end of June has been reported as being somewhat greater than last year when it was considered unusually favorable. In addition there has been a larger registration of "navitanes" (migratory share croppers) from adjacent territories.

INDICATED PRODUCTION OF EGGS IN SPECIFIED COUNTRIES, 1954 1/

The indicated production of eggs in 1954 in a group of countries for which estimates are available is indicated at approximately 90 billion or 12 percent greater than that of a year earlier and approximately 70 percent greater than the prewar, 1934-38 average. 2/

Most of the increase, compared with 1953, is accounted for by increases in Canada and in the United States. Increases also are indicated for Denmark, the Netherlands and Belgium. In other reporting European countries 1954 production is expected to be about the same or slightly larger than in 1953.

The indicated increase in egg production in the major countries reporting an increase, is mainly the result of an increase in the number of hens and pullets, although there also has been some increase in the rate of lay in a number of reporting countries. Adequate feed and good egg prices outside the United States and Canada have also tended to stimulate egg production. In many Western European Countries the feed-egg price ratio has been quite favorable.

Egg production in North America countries in 1954 is expected to be greater than that of a year earlier mainly as a result of increases in the United States and Canadian production. A combined increase over 1953 of over 4 percent is indicated for these 2 countries. Sharply increased numbers of pullets on farms at the beginning of 1954 was an important factor in both countries. The Mexican government recently announced that the Mexican Bank of Foreign Commerce will grant credit to the poultry industry to continue increasing domestic egg production.

Increases in the surplus producing countries of Denmark and the Netherlands are accounting for most of the expansion of egg production in the reporting countries of Europe. These increases are occurring in spite of the fact that their Government egg contracts with the United Kingdom were terminated this year.

Egg production in South America and the Caribbean is expected to be about the same as a year earlier. However, many of the governments or poultry associations of these countries are promoting their poultry industries, primarily by aiding farmers in the purchase of U. S. laying stocks. Brazil, Ecuador, Colombia, Panama, Venezuela and the Dominican Republic are now carrying on such programs.

1/ A more extensive statement will soon be published as a Foreign Agricultural Circular by the U. S. Department of Agriculture, Foreign Agricultural Service, Washington 25, D. C.

2/ United States, Canada, Belgium, Denmark, Western Germany, Ireland, Sweden, Switzerland, the United Kingdom, and Argentina are the countries used for the averages.

ECGS: Number produced 1/ in specified countries, averages
1934-38, 1946-50; annual 1951-1953, indicated 1954

Continent and Country	Average 1934-38	Average 1946-50	1951	1952	1953	1954
	Million	Million	Million	Million	Million	Million
NORTH AMERICA						
Canada - Farm	2,638	4,015	3,611	3,984	4,086	4,320
Total	2,863	4,382	3,954	4,104	4,200	4,500
United States - Farm	35,498	56,535	55,265	60,985	61,704	64,200
Panama	-	53	55	-	57	58
Mexico	-	-	-	-	2,080	2,160
EUROPE						
Austria	663	369	640	785	845	845
Belgium	1,693	1,584	1,945	2,030	2,175	2,225
Denmark	1,979	1,447	1,962	1,968	2,155	2,220
France	6,200	6,580	7,500	7,000	8,000	7,800
Germany, Western	3,700	2,655	5,000	5,300	5,500	5,500
Greece	550	388	440	490	525	525
Ireland	1,086	893	951	972	980	985
Italy	5,500	4,380	5,500	5,550	5,600	5,600
Netherlands	1,978	1,189	2,075	2,570	2,780	2,900
Norway	369	283	391	392	420	420
Sweden	1,000	1,288	1,390	1,370	1,375	1,400
Switzerland	423	486	529	518	520	520
United Kingdom - Farm	2/ 3,871	2,880	4,800	4,700	4,600	4,650
Total 3/	2/ 5,098	4,590	6,500	6,300	6,200	6,250
ASIA						
Turkey	1,003	859	942	980		1,000
Japan	3,553	970	3,873	4,676	5,140	5,340
Philippine Republic	1/ 738	567	845	950	1,015	1,050
SOUTH AMERICA						
Argentina	1,127	-	3,000	3,000	3,150	3,450
Uruguay	289	323	-	-	330	330
Brazil	-	-	3,330	3,730	3,800	3,780
AFRICA						
Egypt	751	694	455	520	525	530
Union of South Africa 6/	-	-	960	955	970	960
OCEANIA						
Australia 7/	708	1,418	1,288	1,230	1,230	1,200
New Zealand	430	146	180	185	190	190

1/ Relates to farm production in the United States but many countries not explicit on this point. 2/ Three-year average. 3/ Years ending May. 4/ 1938. 5/ For 1947. 6/ Years ending June. 7/ Commercial production for years ending June 30. 8/ Receipts at Marketing Department Stations, year ending March, which account for 30-40% of total production.

Estimates of egg production for 1954 are not available for most countries of Asia and the Middle East. Nevertheless several countries including Iraq, Egypt, Iran, Pakistan, Lebanon, Trans-Jordan, Saudi Arabia, Thailand, the Philippines, Korea, Tiawan, the Malayan Federation, India and Japan are carrying out poultry improvement programs which in time should result in better flocks and increased egg production.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crop and Livestock Statistics. It is based in part upon reports of U.S. foreign agricultural officers.

FINNS TURN TO EXPORT MARKET TO FIRM UP DOMESTIC LIVESTOCK PRODUCT PRICES

With the uncontrolled price of livestock products considerably below the target prices regarded as desirable in order to maintain reasonable incentives to farmers, Finnish farm organizations have urged the export of livestock products in order to firm up prices on the domestic market.

In the 6-month period ending in June 1954 approximately 4.6 million pounds of pork were exported to Switzerland, Czechoslovakia and Western Germany with the aid of Government export subsidies totaling \$435,000 to make up the deficit in prices obtained from the buying markets. Exports of an additional 1.1 million pounds of pork to Western Germany and Sweden have been authorized for the third quarter with a Government subsidy of about 16.5 cents per pound. These pork exports are the first since 1951 and may amount to more than 11 million pounds.

While egg production in Finland exceeds domestic consumption, shipments of eggs to foreign markets have been small because of the strict export inspection. However, domestic prices rose after the recent sales of 262,000 pounds to Switzerland, West Germany and Italy and the exportation of eggs is now unprofitable at the government subsidy of just under 10 cents per pound.

Average prices to milk producers has remained relatively stable although there was a slight increase in the price of fluid milk shortly after price controls were abolished. The government has continued subsidy payments to butter producing creameries, but discontinued the subsidy of cheese when price controls on cheese were lifted in June.

Butter exports are a minor item, but the sales of 3.5 million pounds during January-June to the Soviet Union, Czechoslovakia, Eastern and Western Germany, and the United Kingdom were exceedingly beneficial to the domestic price situation. Shipments to the United Kingdom have been continuing at the rate of 220-330,000 pounds weekly. The Government guarantees the exporters a price of 77 cents for mildly salted butter to 79 cents a pound for unsalted butter; foreign trade statistics show exporters have been able to obtain only 45 cents and 49 cents per pound respectively from foreign buyers.

Exports of cheese, Finland's principal agricultural export commodity, totaled 12.6 million pounds during the first half of 1954, and increase of almost 23 percent over the similar period in 1953. The Government subsidized cheese exports at 13.8 cents a pound.

1954 FOREIGN ALMOND PRODUCTION ESTIMATED LOWEST SINCE 1951 ^{1/}

Late summer estimates point to a 1954 commercial almond production in the leading foreign producing countries of 71,000 short tons or approximately 16 percent below the 1953 crop. This is slightly lower than forecast in early July and compares with 84,400 tons (revised) in 1953, and the 5-year average (1948-52) of 75,020 tons.

ALMONDS, SHELLED: Estimated commercial production in specified countries, 1954 forecast with comparisons

Country	Average 1948-52	1951	1952	1953	Indi- cated 1954
	Short tons	Short tons	Short tons	Short tons	Short tons
France	900	600	900	2,200	1,800
French Morocco.....	3,400	3,700	2,100	3,500	3,300
Iran.....	7,440	7,700	7,700	6,600	8,300
Italy.....	33,700	24,200	44,500	37,900	32,000
Portugal.....	4,360	3,400	6,000	^{1/} 6,200	5,600
Spain.....	25,220	28,500	27,000	^{1/} 28,000	20,000
Foreign total	75,020	68,100	88,200	^{1/} 84,400	71,000
United States					
(unshelled basis).....	39,320	42,700	36,400	^{1/} 38,600	48,300

^{1/} Revised.

There has been relatively little change from the July forecast for the two main producing countries, Italy and Spain, which indicated a sharply reduced crop because of severe late winter weather. The outlook continues for a bumper crop in Iran, and for a smaller, but still good crop in Portugal.

^{1/} A more extensive statement will be published shortly as a Foreign Agriculture Circular by the U. S. Department of Agriculture, Foreign Agricultural Service, Washington 25, D. C.

The United States crop, now estimated at 48,300 tons, unshelled basis, would be the largest on record.

Foreign stocks, held by dealers and producers, at the end of the 1953-54 crop year, are estimated at 3,400 short tons, the lowest level in years. Stocks of French-grown almonds are not included in this total; but they are not likely to be significant. The carry-over at the end of the 1952-53 season was estimated at 13,600 tons, exclusive of French almonds. Comparable 1951-52 stocks were estimated at 6,500 tons.

Spanish stocks from the 1953 crop reportedly total about 2,200 tons and Italian stocks about 1,000 tons. Of the 3,400 tons held in aggregate by traders and growers in the foreign producing countries, it is believed that a little over 1,000 tons were available for export.

Exports by Italy, Spain, Portugal, Iran and French Morocco, during the 1953-54 marketing season are estimated at 70,600 short tons, shelled basis. Exports by the same 5 countries in 1952-53 totalled 63,665 short tons. As in 1952-53, Italy, followed by Spain, was the leading exporter with 1953-54 Italian and Spanish shipments amounting to 38,350 tons and 19,340 tons respectively.

United States imports of shelled almonds in the first 10 months of the 1953-54 season totalled 3,328 short tons. This is virtually equal to the import quota of 7,000,000 pounds above which level imports in the period October 1, 1953 to September 30, 1954 are subject to a 10 cents per pound fee in addition to the regular tariff duty. Imports in 1952-53, when the same fee-quota system was in effect, also amounted to slightly over 3,300 short tons.

ALMONDS, SHELLED: Imports into the United States for consumption, by country of origin, average 1948-52 and annual 1950-53

Year beginning September 1

Year	French Morocco	Italy	Portu- gal	Spain	Other countries	Total
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Average:						
1948-52.....	44	2,219	72	1,024	54	3,413
Annual:						
1950.....	78	4,908	43	1,423	25	6,477
1951.....	47	547	6	936	121	1,657
1952.....	54	578	93	2,505	78	3,308
1953 1/.....	79	1,014	77	2,140	18	3,328

1/ Ten months, September through June.

Compiled from official records of the Bureau of the Census.

United States exports of shelled almonds in the first 10 months of 1953-54 have already exceeded by more than 67 percent the quantity exported in all 12 months of 1952-53, totalling 2,752 short tons thus far in 1953-54 compared with 1,637 short tons during the entire 1952-53 season.

SHELLED AND UNSHELLED ALMONDS: Exports from the United States
by country of destination, 1952-53 and 1953-54 1/
Year beginning September 1

Country of Destination	S H E L L E D		U N S H E L L E D	
	1952-53	1953-54 <u>2/</u>	1952-53	1953-54 <u>2/</u>
	Short tons	Short tons	Short tons	Short tons
Canada	261	559	168	204
Mexico	3	129	4	<u>3/</u>
Colombia	41	22	0	<u>4</u>
Venezuela	27	33	3	<u>4</u>
Netherlands	100	802	0	10
Belgium-Luxembourg	137	249	9	1
Germany, Western	<u>4/</u>	172	0	<u>3/</u>
Switzerland	1,006	639	0	<u>3/</u>
Philippines, Rep. of	4	3	16	<u>9</u>
Cuba	14	34	0	<u>3/</u>
Other countries	<u>44</u>	<u>110</u>	<u>39</u>	<u>30</u>
Total	1,637	2,752	239	262

1/ Not separately classified as to shelled and unshelled prior to 1952.

2/ Ten months, September through June.

3/ If any, included in "other countries."

4/ Less than one-half ton.

Compiled from official records of the Bureau of the Census.

BRAZIL'S COTTON EXPORTS
NEAR RECORD LAST YEAR

Exports of cotton from Brazil during July 1954 were estimated by trade sources at 133,000 bales (500 pounds gross), compared with only 23,000 bales in July 1953, according to Glenn A. Ruggles, Agricultural Officer, American Consulate, Sao Paulo. Exports for the year August-July 1953-54 totaled 1,396,000 bales or nearly 10 times the exports of 145,000 bales in the 1952-53 year. Low export prices caused the heavy export movement of the year just ended.

BRAZIL: Cotton exports by countries of destination; averages
1935-39 and 1945-49; annual 1950 - 1953

(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1					
	Averages		1950	1951	1952	1953
	1935-39	1945-49				
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Canada.....	4.2	16.2	1/	0	2/	18.8
Belgium.....	30.0	70.7	3.5	.1	0	53.8
Finland.....	2.3	10.2	14.2	14.5	0	0
France.....	89.5	64.1	112.9	47.4	4.3	140.7
Germany.....	285.6	.6	41.4	59.1	4.2	238.5
Italy.....	39.3	110.5	5.4	2.8	0	117.0
Netherlands.....	33.3	43.3	19.3	1.1	0	66.8
Poland.....	17.2	49.2	.9	2.6	0	2.3
Portugal.....	26.4	11.2	20.1	5.4	2.1	11.9
Spain.....	2.8	136.3	32.4	3.9	29.9	64.6
Sweden.....	5.2	48.5	24.2	3.7	.5	25.0
United Kingdom.....	240.5	336.8	249.3	107.7	69.3	223.5
China.....	81.7	79.2	1/	31.7	0	106.9
India.....	0	7.5	6.0	0	0	1.8
Japan.....	241.7	.9	77.8	54.8	24.9	246.8
Chile.....	0	11.5	2.1	1.6	8.7	9.4
Colombia.....	.7	17.8	4.6	0	0	1.6
Uruguay.....	0	7.2	5.3	.2	.7	15.7
Australia.....	0	25.9	25.6	8.0	0	9.2
Other countries.....	11.7	68.5	51.9	2.8	0	41.9
Total.....	1.112.1	1.116.1	696.9	347.4	144.6	1.396.2

1/ If any, included in Other Countries. 2/ Less than 50 bales.

Source: Comercio Exterior do Brazil and U. S. Foreign Service reports.

The movement of the South Brazil 1954 cotton harvest from the farms was practically completed by the end of August and about 95 percent of the crop was ginned and in the hands of the mills and trade. Cotton classed in Sao Paulo as of August 15 was reported at 93,000 bales. Estimates for the total South Brazil cotton crop for 1953-54 place production at about 1,079,000 bales including nearly 896,000 bales in the State of Sao Paulo. The 1953-54 crop for all Brazil is estimated at 1,400,000 bales including 321,000 bales for North Brazil. Comparable figures for the 1952-53 year were 1,170,000 bales for South Brazil, 390,000 for North Brazil, and 1,560,000 for all Brazil.

Outlook for the 1954-55 crop in North Brazil is very favorable. Weather is good and the harvest is underway in most areas. Ginning began in some areas in early August and the quality of the cotton is reported to be average or better. A crop of about 575,000 bales is expected.

DECLINE IN COTTON EXPORTS FROM PERU

Exports of cotton from Peru for August-May 1953-54 have totaled 249,000 bales (500 pounds gross) or 16 percent below exports of 295,000 bales in the comparable period of the previous year, according to a report from E. A. Gilmore, Jr., Counselor for Economic Affairs, American Embassy, Lima.

PERU: Exports of cotton by countries of destination;
averages 1935-39 and 1945-49; annual 1950-1952;
August-May 1952-53 and 1953-54

(Equivalent bales of 500 pounds gross)								
Country of destination	Year beginning August 1							
	Averages		1950	1951	1952	August-May		
	1935-39	1945-49				1952-53	1953-54	
	<u>bales</u>	<u>bales</u>				<u>bales</u>	<u>bales</u>	
Belgium.....	14.2	25.4	38.5	26.3	47.5	32.6	27.7	
France.....	9.0	5.9	11.4	55.5	24.6	17.6	16.6	
Germany.....	78.3	2.5	17.9	6.8	30.2	20.5	35.4	
Italy.....	5.2	14.9	2.6	2.0	2.6	.8	1.3	
Netherlands.....	13.7	10.3	11.0	6.0	24.8	20.3	17.5	
Switzerland.....	.6	21.6	12.3	6.5	6.3	5.4	5.2	
United Kingdom.....	169.5	83.7	138.2	94.3	74.2	46.9	55.6	
United States.....	1.6	25.8	10.4	11.7	14.6	12.9	7.9	
India.....	2.7	28.4	15.3	2.6	3.5	3.4	.2	
Japan.....	29.6	.2	13.3	5.3	16.6	15.7	8.9	
Argentina.....	.3	6.8	10.9	8.5	6.6	6.1	11.1	
Chile.....	8.5	28.3	12.0	48.1	71.9	54.1	28.1	
Colombia.....	.4	29.4	10.8	11.7	39.1	28.1	17.7	
Other countries.....	4.2	18.1	16.5	21.9	35.1	30.5	16.1	
Total.....	337.8	301.3	321.1	307.2	397.6	294.9	249.3	
Source: Algodon and Fomento Commission								

Source: Algodon and Foreign Service reports.

Prices of Peruvian cotton have been generally steady in recent weeks at levels 16 to 21 percent above corresponding prices a year earlier. Spot quotations in Lima on September 9, 1954, for certain types of Tanguis and Pima were as follows:

	Soles per net Spanish quintal	Equivalent U.S. cents per lb.	
		Spot quotation	Export and other taxes 1/
Tanguis, Type 3-1/2	635	32.49	9.31
Tanguis, Type 5	600	30.70	7.48
Pima, Type 1	2/ 745	38.12	8.85

1/ Not included in quotation. 2/ September delivery.

The reduction in the 1953-54 Tanguis cotton crop is expected to hold the total Peruvian crop to the level of the 1952-53 crop of 444,000 bales. The Pima-Karnak crop for the year 1954-55, harvested in July-September 1954, is expected to increase to about 75,000 bales as a result of additional irrigation developments. The 1953-54 crop of these extra-long staple varieties amounted to approximately 42,000 bales.

CEYLON'S EXPORTS OF COCONUT PRODUCTS CONTINUE DECLINE

Exports from Ceylon of copra and coconut oil during the first half of 1954 aggregated 63,437 long tons in terms of copra equivalent, according to John N. Plakias, American Embassy, Colombo. This decline of 22 percent from the 81,242 long tons exported during a like period in 1953, and 42 percent from the 1952 6-month exports, was due mainly to decreased output owing to unfavorable growing conditions during 1953.

Coconut oil exports of 31,187 long tons fell nearly a third from 1953. Ceylon's principal coconut oil customers were Italy and India, 6,920 and 6,472 long tons, respectively. Exports of 3,939 long tons to the Netherlands in the first half of 1954 were a sharp drop from the 16,160 tons a year earlier; and the tonnage going to Western Germany was one-ninth of 1953. Though exports to the United Kingdom increased in the period over the previous comparable period, they were considerably less than in 1952. All told, exports to European countries fell 50 percent, while those to Asia, including Communist China, rose 25 percent.

Copra exports from Ceylon, January-June 1954 of 13,934 long tons were over 4 times as great as in the corresponding period of 1953. The increase of 10,638 tons from the first half of 1953 went principally to Pakistan and India. For Pakistan, the substantial increase was attributed to a reduction of its import duty on copra effective April 1954. Exports during January-June amounted to 22,490 tons in 1952.

Exports of desiccated coconut from Ceylon during January-June 1954 totaled 21,560 tons against 23,013 in 1953. Again the United Kingdom was the largest buyer taking 10,540 tons, and was chiefly responsible for the increased quantities of desiccated coconut exported during the half-year period. Major markets for the remainder were again Australia, Canada, Germany, and the Netherlands. Exports to the United States amounted to 248 tons during the second quarter.

Production of coconut for export through the first half of 1954 was slightly over 400 million nuts, a reduction of about 100 million compared with the first half of 1953. This reduction may be attributed to the delayed maturity caused by the drought experienced in 1953, in addition to the lack of an adequate rehabilitation program for coconut growers. Decreased demand from European countries and lower market prices also contributed to declining exports.

CEYLON: Copra and coconut oil exports,
average 1935-39, annual 1952-53 and January-June 1953-54

(Long tons)

Country	Copra			Coconut oil		
	Average :1935-39:	1952	1953 1/2	January-June 1954 Average :1935-39:	1952	1953 1/2
Canada.....	-	-	-	-	2,396	14,884
West Indies.....	-	-	-	8,523	-	7,745
Denmark.....	1,605	-	-	881	-	-
France.....	354	-	-	35	-	-
Western Germany.....	1,482	150	-	347	194	-
Greece.....	1,526	-	-	1,200	6,850	5,533
Italy.....	6,541	300	-	120	-	-
Netherlands.....	-	200	-	1,724	19,834	10,029
Sweden.....	-	800	-	-	16,073	16,160
Switzerland.....	-	-	2/	3,573	1,820	-
United Kingdom.....	420	-	-	84	267	134
Other Europe.....	4,573	1,804	-	14,160	28,610	2,787
China.....	-	-	-	5,913	1,515	2/4,074
Cyprus.....	-	-	-	2/	-	6,427
India.....	42,553	14,985	18,628	146	228	22
Iraq.....	20	134	78	10,769	9,073	8,912
Pakistan.....	-	22,132	2,200	315	1,034	666
Israel.....	-	-	150	4,023	11,783	780
Syria.....	60	-	100	15	278	7
Other Asia.....	360	226	178	164	197	-
Egypt.....	425	-	-	67	2,105	1,908
Union of South Africa.....	-	-	-	2,433	3,011	150
Other countries.....	8	-	-	2,597	250	54
Total.....	59,927	40,731	21,300	3,296	13,934	59,013
					106,712	93,568
					49,106	31,187

1/ Preliminary. 2/ Less than .5 ton. 3/ All to Belgium.

American Embassy, Colombo.

Coconut oil, which brought 1030.00 rupees per ton (9.7 cents per pound) on April 1 and rose to a high of 1150.00 rupees (10.8 cents) that month, dropped to 1080 rupees (10.2 cents) at the end of June. Copra prices, at the low 167.00 rupees per candy (\$140.81 per long ton) during the first week of April fluctuated between 175.00 and 180.00 rupees (\$147.56 and \$151.78) during June. The price of desiccated coconut registered very slight changes from the opening at 0.44 rupees per pound (9.3 cents) on April 1 for the second quarter. During the second quarter, prices of coconut products were fairly stable but generally lower than during the previous quarter. Depressed local market prices reflect the lower world market prices for vegetable oil, the decontrol of fats and oils by the United Kingdom, the large stocks of cottonseed oil in the United States, and reported plentiful supplies of coconut products in the Philippines.

Immediate improvement in the coconut market in Ceylon is unlikely. The Government of Ceylon approved 500,000 rupees (\$105,400.) for coconut palm rehabilitation during the fiscal year 1954-1955, but little progress has been made towards an effective rehabilitation scheme due to opposition by the coconut industry to any additional cesses. Recommendations have been offered by Ceylon Oil Millers Association involving such schemes as the freezing of production capacity and quota systems. The Rubber Commission, as sole exporter of Ceylon produce to Communist China, has agreed to call for offers from local coconut dealers only after receiving firm orders from Communist China. During the first six months of 1954, 1,800 long tons of raw coconut oil were exported to that country, of which 1,300 tons were during the second quarter.

PHILIPPINE COCONUT DISEASE KADANG-KADANG SPREADING

The spread of kadang-kadang disease is a serious threat to the coconut industry in the Philippines. Records maintained at the Guinobatan Coconut Research Station show that in the 4 main provinces (Camarines Norte, Camarines Sur, Albay, and Sorsogon) of the Bicol region 5,528,000 or 33 percent of all coconut trees had been affected by 1953 with kadang-kadang disease. The spread of the disease is indicated by the fact that the infested trees in this area was 26 percent in 1952 and less than 11 percent in 1951. Thus, in the 3-year period 1951 to 1953 the percentage of infested trees has increased more than threefold.

The relatively close proximity of the Bicol peninsula to the leading coconut growing provinces of Quezon and Iaguna is a matter of real concern. Should kadang-kadang disease spread to these provinces, a total of approximately 40 percent of the coconut producing area of the Philippines would then be affected by this disease about which little is known.

Other infected areas are the islands of Samar, Masbate and Catanduanes. While the presence of kadang-kadang disease there has been definitely established, no surveys as to the number of trees affected have been made so far.

PHILIPPINE COPRA EXPORTS HIGH FOR YEAR

Philippine copra exports during August totaled 81,317 long tons, the largest quantity for any month so far this year. Exports were 13 percent above the previous month and 31 percent greater than the August, 1953 tonnage. Total shipments during January-August 1954 amounted to 477,921 tons or 39 percent more than the 343,600 tons exported in the comparable period of 1953.

The breakdown of the August copra exports by country of destination is as follows: United States--35,117 tons (Atlantic-3,753, Gulf-3,598, Pacific-27,766); Canada--500; Belgium--500; Denmark--1,000; Germany--2,250; Italy--500; Lebanon--300; the Netherlands--16,950; Norway--2,000; Israel--800; Europe (unspecified)--10,900; Colombia--3,000; Venezuela--5,500; and South America (unspecified)--2,000 tons.

August exports of coconut oil amounted to 6,495 tons compared with 5,823 tons in July and 5,813 tons in August 1953. The January-August aggregate was 40,101 tons against 31,983 tons in 1953. The entire quantity of oil shipped through August went to the United States (Atlantic).

On a copra equivalent basis, exports of copra and coconut oil January through August of this year totaled 541,573 tons, or 37 percent more than the 394,367 tons exported in the same months of 1953.

The copra export price in mid-August was \$154.00 per short ton, c.i.f. Pacific. Local buying prices in Manila were 24.00 to 27.50 pesos per 100 kilograms (\$121.93 to \$139.71) per long ton.

ANGOLA'S PALM OIL EXPORTS DOWN, OILSEEDS UP SLIGHTLY

Exports of vegetable oils and oilseeds from Angola in 1953 amounted to 8,176 and 35,030 short tons, respectively, as compared with 12,905 and 34,474 tons in 1952, reports J. M. Kuhl, American Consulate, Luanda. Palm oil exports of 7,367 tons were almost 50 percent below 1952 shipments but exports of castor oil increased from 84 tons to 809 tons. Oilseeds exported last year included cottonseed--11,798 tons, peanuts--5,223, palm kernels--12,818, sesame seed--709, and castor beans--4,482 tons. The palm kernels went mainly to Germany and Portugal; peanuts to Germany, Portugal and the Netherlands; and castor beans to France and Portugal. The only exports to the United States were 130 tons of castor beans and 808 tons of castor oil.

While official production figures for agricultural commodities are not available, it is estimated that production of both edible and inedible palm oil in 1953 in Angola was approximately 16,500 tons. Of this total, about 30 percent was consumed locally, 7,367 tons were exported and the remainder was stored for future disposal. As little, if any, castor oil is consumed locally, production in 1953 was about equal to exports.

According to the Export Commission, the f.o.b. price per kilogram of palm oil for export to Portugal and its territories has been fixed at Escudos 5.40 (8.6 cents per pound) since 1952. The 1954 Angolan quota of palm oil for export to Portugal is 6,724 tons, or about the same as in 1953. Current prices for castor oil average escudos 6.00 per kilogram (9.5 cents per pound) when sold to the United States for dollars and between escudos 7.00 and 8.00 (equivalent to 11.1 - 12.7 cents per pound) when shipped to European countries.

If world demand remains good during 1954, Angola's exports of palm oil should increase somewhat over the 1953 level due to its improving quality. The Agricultural Services state that 50 percent of the palm oil now produced in Angola has 10 degrees or less of free fatty acid. An additional factor which should serve to increase exports is the recent reduction in export taxes. (See Foreign Crops and Markets of June 7, 1954, page 544.)

U.S. EXPORTS OF FATS AND OILS SETTING NEW RECORD 1/

United States exports of fats, oils, and oilseeds in the current marketing year, beginning last October 1, will set a new record. On the basis of the 9-month period (October-June) exports, in terms of oil equivalent, totaled 2.6 billion pounds--an increase of 52 percent from the 1.7 billion pounds exported in the corresponding months of 1952-53.

The previous marketing-year record was achieved in 1951-52 when the total quantity exported was nearly 2.3 billion pounds. The outward movement in the first 3 quarters of the current year has already surpassed this total figure by 14 percent.

The major contributors to the new-record volume of exports are soybeans, cottonseed oil, inedible tallow and greases, and linseed oil. Sales for export from CCC-held supplies of cottonseed and linseed oils have been an important factor in the strong upward surge in exports in the first 3 quarters of the current marketing year.

TRADE DEVELOPMENTS IN FOREIGN COUNTRIES

Cuba Permits Export of Cheese and Butter: Ministry of Commerce Resolution No. 41 published August 20, 1954 permits the exportation of butter and cheese from Cuba as a result of a local surplus in the production of dairy products. Earlier the Cuban Foreign Office had requested the Commodity Credit Corporation not to sell any of its surplus butter for export to Cuba. (See Foreign Crops and Markets, August 16, 1954).

(Continued on next page)

1/ A more extensive statement will soon be published as a Foreign Agriculture Circular available from the U.S. Department of Agriculture, Foreign Agricultural Service, Washington 25, D.C.

Guatemala Denounces Trade Agreement with Czechoslovakia: The Guatemalan Government on August 13, 1954 announced that it had denounced the 1936 Trade Agreement with Czechoslovakia effective November 12, 1954. The Treaty provided for reciprocal and most-favored-nation treatment. Total imports from Czechoslovakia in 1952 were valued at \$308,801. There were no exports in 1952 although in previous years Czechoslovakia was a market for Guatemalan coffee. The reason given for denouncing the agreement was that the Guatemalan Government is virtually interested in cooperating with the democracies of the free world in order to strengthen its economic and political situation.

Argentina - Bolivian Trade Agreement: The trade agreement between Argentina and Bolivia is expected to be signed some time this month. According to press accounts, Bolivia will exchange tin, antimony, bismuth, asbestos, manganese, lumber and petroleum for Argentine cattle and other agricultural products. The total barter would amount to the equivalent of \$9 million.

Bolivia Continues to Import Food: The Bolivian Minister of Economy declared that bulk purchases of imported food supplies made by his Ministry as well as the current food shipments being received pursuant to the United States economic aid program insures the country's sugar supply through December 1954; wheat and flour through October 1954; rice through February 1955; powdered and evaporated milk through August 1955; lard through October 1954; and edible oils through November 1954.

The United States expects to continue its economic aid program with Bolivia through fiscal 1955 and anticipates shipments of wheat and flour as well as other agricultural items.

Special revenues derived from the distribution of products imported into Bolivia as well as national products manufactured from imported materials, which are subject to price controls of the Ministry, are deposited into a special account known as the "revertible fund" of the Ministry of Economy. This fund is being used to pay remunerative prices to producers of wheat, rice, corn, coffee etc. to carry out certain agricultural development programs and to defray the import duties on food shipments under the United States aid program.

Ecuador's Foreign Exchange Holdings Increase: Ecuador's foreign exchange holdings, including gold and contribution to the International Monetary Fund, increased during the month of June to 467.7 million sucres compared with the year's low of 420.5 million as of April 30. During the first 6 months of the year exports totaled 591.2 million sucres or approximately 31 percent above the figure for the first 6 months of the previous year while imports were 8 percent less by value than during the same period of 1953. Cacao exports have been strong and are largely responsible for the recent improvements in Ecuador's balance of payments position. Banana exports have been holding up well and the total value of exports for the year should surpass the 1953 figure. Returns from coffee were less during June than had been anticipated since demand in the United States, while still very good, has been somewhat lower than expected. In 1953 total United States imports from Ecuador were valued at 40 million dollars. Bananas were most important, accounting for 15.7 million, coffee second valued at 14.8 million, and cacao third valued at 8.2 million dollars.

Mexican President's Annual Message Stresses Agricultural Development: President Ruiz Cortines in his annual September 1 message to the Mexican Congress, stated that the country is now approaching self-sufficiency in food production and will have large export availabilities of cotton and coffee. He forecasts sharply increased production of grain. If production is increased to the extent forecast, Mexico will need to import very little grain and beans from the United States. With increased exports of cotton and coffee, Mexico's foreign exchange situation in the next 6 months should be able to relax its import restrictions on products that it does need to import, such as powdered milk, eggs, cheese, breeding stock, seeds, fruits and vegetables.

Uruguay Signs Trade Agreement with Russia: A payments agreement between the Bank of the Uruguayan Republic and the State Bank of the U.S.S.R. was signed July 28 in which the Bank of the Republic agreed to authorize import quotas for Russian goods to the amount of £ 2 million pounds sterling as total compensation for goods purchased thus far in 1954 by the Soviet Union. Major purchases have been meat, with some purchases of wool. The agreement is for 2 years with automatic renewals on a yearly basis unless denounced by one party and provides for a yearly trade in each direction to a value of 8 million pounds sterling. Goods that Uruguay will make available include frozen and canned meat, hides, skins, and wheat. The Soviet Union will send petroleum products, industrial chemicals, farm machinery, industrial equipment, coal, newsprint, steel mill products, and lumber. Payments will be effected in sterling and the Bank of the Republic reserves the right of free disposition of any balance of exchange generated by Russian purchases not utilized by Uruguayan importers.

Colombia Plans Revision of Customs Code: The Government of Colombia plans a general revision of the Customs Code to be announced around the end of the current year. This revision will include modification of regulations governing certification of consular and shipping documents. Decree 876 of March 26 this year requiring prior presentation of these documents has been repealed and regulations in effect prior to that time will govern until such time as the general revision of the Customs Code is completed.

PUBLICATIONS RELATING TO INTERNATIONAL AGRICULTURAL TRADE

Issued recently and available free upon request from the U.S. Department of Agriculture, Foreign Agricultural Service, Washington 25, D. C.

_____ Brazilian Coffee Situation, FCB 20-54.

_____ The Role of Recombined Milk and Butter Oil in the Export Distribution of Dairy Products. FD 9-54

_____ Indian Industrial Development Corporation to Be Established. FVF 11-54. (of interest particularly to cotton textile and jute industries).

(Continued on next page)

_____ The Pakistan Jute Situation for the Four Weeks Ending July 14. FVF 12-54.

_____ International Trade in Sugar Increased 2.2 Million Tons in 1953. FS 2-54.

_____ Cocoa Bean Summary for All Brazil. FCB 21-54.

_____ All-India First Estimate of Jute Acreage. FVF 13-54.

_____ U. S. Exports and Imports of Unmanufactured Tobacco, January-June 1954, with Comparisons. FT 34-54.

These publications can be obtained by checking the ones desired and mailing to FAS with your address:

Name _____ Street or RFD No. _____
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L A T E N E W S--(Continued from Page 296)

Preliminary estimates of cotton acreage in Greece for the 1954-55 crop indicate about 270,000 acres planted as compared with 211,000 last year. Production of cotton from this acreage is estimated at approximately 159,000 bales (500 pounds gross) as compared with 139,000 for the previous year.

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Private sources estimate the 1954-55 cotton crop in Syria at 275,000 bales (500 pounds gross) compared with 230,000 bales in 1953-54.

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Latest estimates of the 1954-55 cotton crop in Mexico place production at approximately 1,400,000 bales (500 pounds gross) or 16 percent more than the 1953-54 crop of 1,200,000 bales.

- - - - -
Cotton-mill consumption in Canada during August 1954 amounted to 25,000 bales, compared with 19,000 for the previous month and 23,000 for August 1953.

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington 25, D. C.

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